

HOUSE BILL 586

By Marsh

AN ACT to amend Tennessee Code Annotated, Title 68,
Chapter 221, Part 10, relative to the wastewater
facility revolving loan fund.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 68-221-1003(7), is amended by
adding the following new subdivision:

(C) "Local government" also means a privately owned for-profit community
wastewater treatment system subject to regulation by the Tennessee public utility
commission;

SECTION 2. Tennessee Code Annotated, Section 68-221-1006(a), is amended by
designating the existing language as subdivision (1) and adding the following as a new
subdivision:

(2) In regard to a local government as defined in § 68-221-1003(7)(C), loans are
subject to the following conditions and requirements:

(A) The local government will not be considered for loans with principal
forgiveness under the program;

(B) The local government must be categorized as one hundred percent
(100%) ability to pay on the index established pursuant to § 68-221-1005;

(C) The local government must have at least a debt service coverage
ratio of 1.25;

(D) The local government must provide security determined by the
authority to be acceptable to secure a loan under this part; and

(E) The authority is authorized to direct the local government to the board and to the comptroller of the treasury for compliance as set forth in §§ 68-221-1009 and 68-221-1010.

SECTION 3. Tennessee Code Annotated, Section 68-221-1005, is amended by adding the following as a new subsection:

(m) Subsections (g), (h), (i), and (k) do not apply to a local government as defined in § 68-221-1003(7)(C).

SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it, and applies to all contracts entered into or renewed on or after that date.